City of Missoula, Montana
City Council Committee Agenda item

Committee:	**Public Safety, Health and Operations**
Item:	**Retail Cannabis Dispensaries Business Licenses Prohibition**
Date:	June 4, 2026
Sponsor(s):	**Eran Pehan**
Department or Function:	**CPDI**
Prepared by:	Maggie McCarthy

Ward(s) Affected:

☐ Ward 1	☐ Ward 4
☐ Ward 2	☐ Ward 5
☐ Ward 3	☐ Ward 6
☒ All Wards	☐ N/A

Action Required:
Adopt an ordinance amending MMC Title 5 to maintain prohibition on new adult-use recreational cannabis dispensary operations while allowing for relocation of existing City of Missoula licensed dispensary operations.

Timeline and Recommended Motions:

Committee discussion: 06/10/2026

Council sets public hearing: 06/15/2026

Recommended motion: **[First reading and preliminary adoption]** Preliminary adopt an ordinance amending Chapter 5.08.121 of the Missoula Municipal Code, to add a new Section 5.08.121 to enact a prohibition on new business licenses for retail adult use cannabis dispensaries pending review of the regulations applicable to such operations as part of the City's Uniform Development Code Project. , and set a public hearing for July 6, 2026.

Public Hearing: 07/06/2026

Recommended motion: **[Final reading and adoption]** Adopt an ordinance amending Chapter 5.08.121 of the Missoula Municipal Code, to add a new Section 5.08.121 to enact a prohibition on new business licenses for retail adult use cannabis dispensaries pending review of the regulations applicable to such operations as part of the City's Uniform Development Code Project.

Deadline: 07/06/2026

Background and Alternatives Explored:
Ordinance 3748 committed the City to revisiting the prohibition adopted on July 24, 2024. Since that time, the City of Missoula's Unified Development Code has been recently adopted, and the State of Montana has extended its moratorium on new cannabis licenses, providing that, "On or after July 1, 2027, the department shall begin accepting applications for and issuing licenses to cultivate, manufacture, or sell marijuana or marijuana products to applicants who were not

previously licensed and for premises not previously licensed." Extending the prohibition aligns the City's timeline with the State of Montana's extension of its cannabis licensure moratorium, while providing additional time for the City to implement and evaluate the effects of Title 22. This allows the City to assess how updated zoning standards affect dispensary locations, concentration, and nonconforming uses before determining whether additional local regulations are needed.

The existing City language also restricts currently licensed dispensaries from relocating, even when a proposed location would comply with applicable code requirements and regulations. Allowing existing City of Missoula licensed dispensaries to relocate to compliant locations maintains the prohibition on new, additional, dispensary licenses while addressing unintended impacts on existing businesses. This amendment may also reduce nonconforming uses in districts where dispensaries are currently located and support a more appropriate distribution of dispensary locations by allowing businesses to move from concentrated areas into zoning districts where the use is permitted.

Financial Implications:

Links to external websites: